



PERFORMANCE EVALUATION AND MEASUREMENT PLAN (PEMP)

Volume I – Incentive B - Award Fee

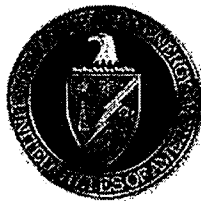
DESIGN, CONSTRUCTION, AND COMMISSIONING OF THE HANFORD TANK WASTE TREATMENT & IMMOBILIZATION PLANT

CONTRACT NO. DE-AC27-01RV14136

Evaluation Period 2010-A

January 1, 2010 to June 30, 2010

**Bechtel National, Inc.
Richland WA**



Rev 1 – Effective April 19, 2010

Issued By:

Accepted By:

**Guy A. Girard
Federal Project Director, WTP
Fee Determination Official**

**Frank Russo
Bechtel National, Inc.**

PEMP General Information

needed changes to the PEMP for consideration by the PEB and FDO; and 4) maintain a performance dialogue with BNI Performance Measure owners throughout the evaluation period.

C. Process & Schedule

Activity No.	Activity	Footnote	# of Days From	Activity Number	Days from Beginning of Evaluation Period		Dates - Evaluation Period 2010-A	
					From	To	Start	Finish
1	Performance Evaluation Board (PEB) Appointed		0		-90	-90	10/03/09	10/03/09
2	DOE Generates Draft PEMP	1	75	1	-90	-60	10/03/09	11/02/09
3	Contractor Review Comments on Draft PEMP		75	2	-80	-45	11/02/09	11/17/09
4	HQ Approval - Business Clearance		60	3	-45	-30	11/17/09	12/02/09
5	Final PEMP Execution	2	15	4	-30	-15	12/02/09	12/17/09
6	FDO, PEB, and PEM Evaluate Performance		181	5	0	180	01/01/10	06/30/10
7	Contractor Self-Assessment (S/A)		10	6	180	190	06/30/10	07/10/10
8	PEM Submit Final Reports to PEB	3	10	7	190	198	07/10/10	07/18/10
9	PEB Completes Report		37	8	198	235	07/18/10	08/24/10
10	PEB Briefs FDO		7	9	235	242	08/24/10	09/31/10
11	FDO Determines Award Fee Amount	4	8	10	242	250	08/31/10	09/08/10
Performance Period Begins							01/01/10	

Footnotes:

- 1 Contractor is provided opportunity to review and comment
- 2 PEMP is executed unilaterally if parties cannot agree by beginning of evaluation period
- 3 PEM Reports are updated (if necessary) based on consideration of Contractor Self-Assessment
- 4 Fee payment made to Contractor seven days after receipt of fee invoice for approved FDO Award Fee Determination

The Contract will receive two separate Award Fee evaluation ratings – one rating for Incentive B.1 *Project Management Incentive* and one rating for Incentive B.2 *Cost Incentive*. Each rating is independently applied to the available Award Fee pool for that incentive element. The total available award fee for this Evaluation Period 2010-A is:

Incentive B.1 Award Fee – Project Management Incentive	\$ 2,000,000
Incentive B.2 Award Fee – Cost Incentive	\$ 4,300,000

DOE's expectation is that the Contractor will solve the External Flowsheet Review Team M3 Inadequate Mixing Issue no later than June 30, 2010. M3 is the most critical technical issue remaining on the project, and its resolution is vital to the WTP project schedule. Therefore, in the event the Contractor fails to achieve formal closure of M3 (as defined in 24590-WTP-PL-ENG-06-0013, Rev 3, Issue Response Plan for Implementation of External Flowsheet Review Team (EFRT) Recommendations – M3 Inadequate Mixing System Design; and further clarified in 24590-WTP-RPT-ENG-10-001, Rev 0, Integrated Pulse Jet Mixed Vessel Design and Control Strategy) by June 30, 2010, DOE reserves the right to reduce the available award fee for the PEMP 2010-A performance period by up to 80% prior to making the award fee determination. If a reduction is made as provided herein, the award fee determination (for the remaining award fee) shall be made in accordance with the PEMP 2010-A and resolution of M3 shall not be further considered in evaluating the Contractor's performance.